

# Speculative Operations Form Bulk of Business on Wall Street, With Quick Profit-Taking in Evidence With Every Rally

## THE STOCK MARKET OF THE WEEK

The following table shows the week's highest, lowest and closing prices, individual sales and net changes of all securities sold on the New York Stock Exchange last week. High and low prices are also given for the full year 1910 and 1909.

1910	1909	High	Low	Close	Net Ch.
100	100	100	100	100	0
101	101	101	101	101	0
102	102	102	102	102	0
103	103	103	103	103	0
104	104	104	104	104	0
105	105	105	105	105	0
106	106	106	106	106	0
107	107	107	107	107	0
108	108	108	108	108	0
109	109	109	109	109	0
110	110	110	110	110	0
111	111	111	111	111	0
112	112	112	112	112	0
113	113	113	113	113	0
114	114	114	114	114	0
115	115	115	115	115	0
116	116	116	116	116	0
117	117	117	117	117	0
118	118	118	118	118	0
119	119	119	119	119	0
120	120	120	120	120	0
121	121	121	121	121	0
122	122	122	122	122	0
123	123	123	123	123	0
124	124	124	124	124	0
125	125	125	125	125	0
126	126	126	126	126	0
127	127	127	127	127	0
128	128	128	128	128	0
129	129	129	129	129	0
130	130	130	130	130	0
131	131	131	131	131	0
132	132	132	132	132	0
133	133	133	133	133	0
134	134	134	134	134	0
135	135	135	135	135	0
136	136	136	136	136	0
137	137	137	137	137	0
138	138	138	138	138	0
139	139	139	139	139	0
140	140	140	140	140	0
141	141	141	141	141	0
142	142	142	142	142	0
143	143	143	143	143	0
144	144	144	144	144	0
145	145	145	145	145	0
146	146	146	146	146	0
147	147	147	147	147	0
148	148	148	148	148	0
149	149	149	149	149	0
150	150	150	150	150	0
151	151	151	151	151	0
152	152	152	152	152	0
153	153	153	153	153	0
154	154	154	154	154	0
155	155	155	155	155	0
156	156	156	156	156	0
157	157	157	157	157	0
158	158	158	158	158	0
159	159	159	159	159	0
160	160	160	160	160	0
161	161	161	161	161	0
162	162	162	162	162	0
163	163	163	163	163	0
164	164	164	164	164	0
165	165	165	165	165	0
166	166	166	166	166	0
167	167	167	167	167	0
168	168	168	168	168	0
169	169	169	169	169	0
170	170	170	170	170	0
171	171	171	171	171	0
172	172	172	172	172	0
173	173	173	173	173	0
174	174	174	174	174	0
175	175	175	175	175	0
176	176	176	176	176	0
177	177	177	177	177	0
178	178	178	178	178	0
179	179	179	179	179	0
180	180	180	180	180	0
181	181	181	181	181	0
182	182	182	182	182	0
183	183	183	183	183	0
184	184	184	184	184	0
185	185	185	185	185	0
186	186	186	186	186	0
187	187	187	187	187	0
188	188	188	188	188	0
189	189	189	189	189	0
190	190	190	190	190	0
191	191	191	191	191	0
192	192	192	192	192	0
193	193	193	193	193	0
194	194	194	194	194	0
195	195	195	195	195	0
196	196	196	196	196	0
197	197	197	197	197	0
198	198	198	198	198	0
199	199	199	199	199	0
200	200	200	200	200	0

## SECURITY MARKET IN TRADERS' HANDS. INVESTORS DOING LITTLE OR NOTHING

Legitimate Influences Count for Naught, Fluctuations Following Speculative Manipulation—Life-Line Is Used to Relieve Overburdened Operators.

Local Market Slow.

By JOHN GRANT DATER.

[Special Financial Representative Mansey Publications.]

NEW YORK, Aug. 7.—Professional traders, particularly those who make their livelihood by scalping the market, were chiefly responsible for the market movements of the week.

The moderate investment buying which developed with the severe break incident to the extrication of the Farquhar-Pearson syndicate from its difficulties, disappeared with the sharp rebound in prices which ensued, and it was made apparent very early in the interval that the bankers, who came to the relief of the crippled operators, showed no disposition to encourage an active speculative movement for the advance. To do so would be at variance with all the traditions of a market in which accumulation brings upon a descending price scale is the feature.

Left to the trading element, speculative stocks backed and filled; rapid recoveries followed quickly upon unexpected recessions, only to be succeeded in turn by fitful rallies, and these, in due course, by brief sinking spells, and so on daily and almost hourly from Monday morning to Saturday afternoon, the market was in a state of constant flux, with no clear closing in one of the upward swings.

Aside from disclosing the fact that professional speculative opinion was highly mixed, and that the two factions among the traders were about equally balanced, the market showed no indication of the week was not illuminating. The actual up and down movements were of a minor character, and prices at times advancing in the face of unfavorable happenings, and at others declining on what might reasonably be regarded as good news. The most notable influence of the week centered around the market rumors of various speculators in trouble, having been taken over by the salvage and wrecking corps.

"Casting the Life Line." Wall Street borrowed the title from the Salvation Army hymn, "Casting the Life Line," and applied it to the market movements. Practically each break was attributed to some speculator in trouble, and each recovery to some trader's relief measure. The rank and file in the Street became wholly skeptical at last over the many reports of half-drowned speculative mariners, tumbled one upon another into a life-boat, and as later reports of "help of the Wall Street variety" came out, quizzical brokers began to ask the question: "Who's going to help the help?"

Starting with the extrication of Mr. Farquhar and his associates from their uncomfortable position, there have been no fewer than five reports of assistance being rendered to speculators in various ways. "Casting the Life Line," a powerful new factor in the railway world, "a Western capitalist," "a Southern promoter," and "a street car magnate," it is not surprising that, in the end, the speculators have been left to their own devices. The relief measure, if the rumors were true, could become a bull argument.

As a matter of fact, but one of the five new reports of relief has been verified in such a way as to leave no doubt of the accuracy of the report, and even in this case, important details are lacking. Moreover, what has become known of the transaction, points rather to a disingenuous position affecting industrial enterprises than to the break in the stock market, or a weakened speculative position, as the origin of the difficulty.

That a large block of Delaware, Lackawanna and Western stock, sold in 10,000 shares, has changed hands, is credited in well-informed banking circles to the purchase of the stock by the last sale, or 20 points below the highest price of 1909, which was 80. Although the original owner is reported to have acquired the stock at 20, not so many years ago, its transference at 50, which figure is credited, gives a fairly accurate measure of what Wall Street "help" means to overburdened operators in times of stress.

Contracting Commercial Credits. The transaction served the purpose of directing attention to existing credit conditions in a very unpleasant manner, and doubtless this had something to do in confining the stock market of the week entirely to the professional traders. This element does not pay much attention to the underlying monetary position, and, in fact, gives very little concern to anything aside from transaction situations. If it gives any attention to the money market at all it goes little beyond the call money rate, and the gain or loss reflected in the surplus reserve in the New York bank statement. But bankers are not so easily traced the sale of the big block of Lackawanna stock back to its origin, assert that it was made necessary not so much as a result of an unfavorable speculative position of the owner, but in consequence of an imperative necessity of a large manufacturing company, with which the owner was associated, to obtain a large amount of money for the same obligations incident to some contracts for very extensive and costly improvements.

The new securities could not be sold without sacrifice, nor could a loan be negotiated upon them to advantage, for they are unlisted, nor credit is of the highest, borrow direct or sell in paper, because of the attitude of banks in limiting their loan operations to their dealers, and in withdrawing from the commercial paper market. Unable to obtain the needed funds elsewhere, the Lackawanna stock was sold.

ing further supplies of the yellow metal abroad, but with contracting business and a professional stock market, the \$10,000,000 gold obtained on the movement will probably be sufficient for legitimate requirements, unless some unforeseen difficulty should arise in connection with the cotton crop movement, due to the bill of lading situation. This, so far as the English bankers are concerned, does not appear to be definitely settled. But, as the foreign interests do not insist upon American bank guarantees on cotton bills of lading until after October 31, any trouble which may arise out of the situation is certainly remote, and an abundance of time still remains in which a settlement of the difficulty may be arranged.

The bank statement of Saturday was something of a mystery to the rank and file in brokers' offices, but the more important changes are easily accounted for by the explanation already made of the operations between the banks and trust companies. The chief gains in deposits, and also in loans, are reflected in the reports of a limited number of banks, such as carry the accounts of the large trust companies.

Under the old system of averages, the surplus reserve increased \$23,475, and stands at no less than \$49,641,400 above requirements. Loans increased \$10,792,200, and an increase of \$2,870,000 occurred in deposit liabilities. Specie and legal tender holdings gained \$2,427,200. The statement of actual conditions reflected an increase of surplus reserve of \$5,724,200 and a gain in cash of \$10,951,600, with an increase of \$12,553,600 in loans and \$21,532,400 in deposit liabilities.

The actual condition of the New York banking institutions, counting both banks and trust companies, is not very much changed by this shifting of accounts between the two groups. The best feature is the good gain in cash, whether \$2,474,200 or \$10,951,600. This reflects both the receipt of foreign gold and some payments to the banks by the Government.

Extreme Conservatism Impelled. What impels this extreme conservatism does not appear clear. It naturally occasions some uneasiness, as it is the case when merchants cannot ascertain the reasons for a contraction of credits. How long a condition of this kind can continue without some modification, it is difficult to say, but so long as the banks hold aloof from the mercantile paper market, the action is certain to force conservatism upon the mercantile interests, and if continued for any length of time it can have no other effect than to accentuate commercial contraction.

The operation goes very far in explaining the anomaly of expanding bank clearances throughout the country coincident with contracting clearances at New York, the commercial credit center. During the present week, for instance, the clearances of all leading cities of the country show an aggregate of \$1,000,000,000, as of 9.3 per cent compared with last year. This is due entirely to the diminished exchange of New York, for outside this center the greater clearances of the country show a gain of 3.3 per cent over 1909.

Difficult as it has become for the mercantile community to obtain accommodation, it is even harder for the corporation in case of necessity, the railways can sell well secured short term notes, if the price and interest rate is made sufficiently attractive, but industrial corporations, according to bankers, are in very much the same position now that they were in 1909, when they found it almost impossible to secure funds. This is illustrated by the case of the industrial enterprise referred to, where the necessary money was obtained through a sale of the owner's stock.

News developments in Wall Street credit conditions are very unsatisfactory, but as they are not yet fully indicated, news experts very little influence in the speculative market of the week, for the movements there were clearly of a professional nature, and were conducted with little or no attention to news.

The success of the radical wing of the Republican party in Kansas and Iowa passed without comment, as did the evidence of further contraction in the iron and steel industry. The late improvement in stocks, and the generally strong undertone of the market, was attributed to better advice concerning the corn crop prospects, but the advancing tendency of the commodity markets seemed rather clearly to forecast a Government crop report tomorrow showing further deterioration in spring wheat, and probably an estimate of corn somewhat under the July figures of 3,114,000,000 bushels. In connection with corn, however, the market is not so much affected, for almost always shows deterioration from the preliminary estimate, and still return a harvest substantially as large as last year's abundant crop.

The Government cotton report, made public on Tuesday, was disappointing, showing a condition of 23.3, or the lowest with but two exceptions, 1907 and 1908, at this season in twenty years. It indicates a harvest of about 12,000,000 bales, the lowest with but one movement arising out of timely rains in Texas and Oklahoma.

Gold Imports and Exchange. The unexpected poor statement of the Bank of England on Thursday, showing a loss of nearly \$2,500,000 in gold holdings, due largely to the American movement, has been followed by a sharp advance in London discounts, and a correspondingly sharp recovery in the exchange at New York, all of which points to increasing difficulty in obtaining further supplies of the yellow metal abroad, but with contracting business and a professional stock market, the \$10,000,000 gold obtained on the movement will probably be sufficient for legitimate requirements, unless some unforeseen difficulty should arise in connection with the cotton crop movement, due to the bill of lading situation. This, so far as the English bankers are concerned, does not appear to be definitely settled. But, as the foreign interests do not insist upon American bank guarantees on cotton bills of lading until after October 31, any trouble which may arise out of the situation is certainly remote, and an abundance of time still remains in which a settlement of the difficulty may be arranged.

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## YEAR TO DATE IN LOCAL MARKET

PUBLIC UTILITIES.					
Shares	Stocks	Open.	High.	Low.	Last
1,422	Capital Traction.....	135 1/2	135 1/2	135 1/2	135 1/2
5,435	Washington Railway & Electric com. ....	4 1/2	4 1/2	4 1/2	4 1/2
8,801	Washington Railway & Electric pfd. ....	9 1/2	9 1/2	9 1/2	9 1/2
22	Georgetown Gas .....	25	25	25	25
12,415	Washington Gas .....	7 1/2	7 1/2	7 1/2	7 1/2
60	Wash. Alex. & Mt. Vernon.....	9 1/2	9 1/2	9 1/2	9 1/2
BANKS AND TRUST COMPANIES.					
117	American National.....	132	134 1/2	132	135
408	American Security & Trust.....	28 1/2	29	28 1/2	29
25	Capital National.....	210	210	210	210
20	Columbia National.....	150	150	150	150
222	Commercial National.....	185	185	185	185
80	Dime Savings Bank.....	12	12 1/2	12	12 1/2
209	District National Bank.....	12	14 1/2	12	13 1/2
135	East Washington Savings.....	12 1/2	12 1/2	12 1/2	12 1/2
35	Farmers and Mechanics National.....	12 1/2	12 1/2	12 1/2	12 1/2
31	Lincoln National.....	12 1/2	12 1/2	12 1/2	12 1/2
100	Merchants and Mechanics.....	17 1/2	17	17 1/2	18
107	National Metropolitan.....	15 1/2	15 1/2	15 1/2	15 1/2
50	National Bank of Washington.....	204	204	204	200
380	National City.....	310	310	310	310
30	National Savings and Trust.....	12 1/2	12 1/2	12 1/2	12 1/2
11	Riggs National.....	225 1/2	229	225 1/2	230
200	Second National.....	600	600	600 1/2	600 1/2
124	Union Savings.....	600	600	600	600
1,701	United States Trust.....	245	245	245	240
726	Union Trust.....	115 1/2	115 1/2	114	114
107	Washington Loan & Trust.....	125	125	125	125
INSURANCE STOCKS.					
131	Arlington Insurance.....	210	212	209	210
429	Columbia Title.....	45	45	45	45
124	Commercial Insurance.....	20	20	20	20
28	Firemen's Insurance.....	20	20	20	20
120	Franklin Insurance.....	20 1/2	20 1/2	20 1/2	20 1/2
147	Potomac Insurance.....	20	20	20	20
16	Real Estate Title.....	34	34	34	34
11	Washington Title Insurance.....	32	32	30	30
MISCELLANEOUS STOCKS.					
19	Am. Tel. & Tel.....	126	126	125	126
25	Colonial Beach.....	14	14	14	14
225	Emerson Steam Pump.....	125	125	125	125
124	Graphophone.....	104 1/2	105 1/2	7	9
696	Graphophone pfd.....	11 1/2	11 1/2	11 1/2	11 1/2
1,571	Greene Cananea.....	125	125	125	125
4,215	Hampton Monotype.....	23	23 1/2	23 1/2	23 1/2
1,548	Mergenthaler.....	240	240	214 1/2	215
175	Norfolk and Washington S. S.....	240	240	223	223
6	Security Storage.....	201	201	201	210
BONDS.					
5,000	U. S. registered 2 1/2.....	100 1/2	100 1/2	100 1/2	100 1/2
2,000	U. S. registered 3 1/2.....	102 1/2	102 1/2	102 1/2	102 1/2
700	U. S. coupon 3 1/2.....	102 1/2	102 1/2	102 1/2	102 1/2
1,400	U. S. Reg. 4 1/2.....	102 1/2	102 1/2	102 1/2	102 1/2
5,000	Capital Traction 5's.....	115 1/2	118 1/2	114 1/2	114 1/2
83,500	Columbia Railway 6's.....	105	105	105	105
100	Columbia Railway 5's.....	105	105 1/2	105	105 1/2
1,000	City and Suburban 5's.....	104 1/2	105 1/2	102	102 1/2
35,000	C. & P. Telephone 5's.....	104	104	104	104
5,000	Emerson Steam Pump 5's.....	85 1/2	85 1/2	85 1/2	85 1/2
67,000	Gas 4 1/2.....	100	110	100	105
47,000	Gas Certificates 5's.....	107 1/2	108	105	108
102,500	Metropolitan 5's.....	107 1/2	107 1/2	107 1/2	107 1/2
2,000	Norfolk and Wash. Steamboat 5's.....	100	100 1/2	100	100 1/2
50,000	Potomac Electric 5's.....	108 1/2	108 1/2	107 1/2	107 1/2
54,000	Potomac Electric Co. 5's.....	97 1/2	97 1/2	97 1/2	97 1/2
4,000	Wash. Mt. Vernon & Alex. 5's.....	85	85	85	85
7,000	Washington Market Cold Storage.....	97	97	96	96
24,000	Washington Railway & Electric 4's.....	97 1/2	97 1/2	97 1/2	97 1/2
209	Security Storage Warrants.....	210 1/2	210 1/2	210 1/2	210 1/2